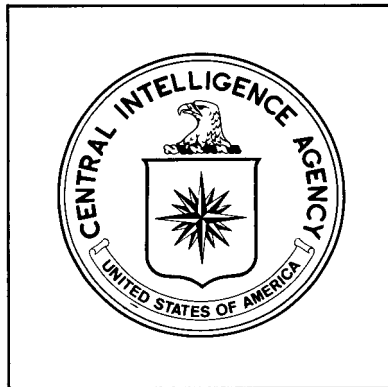


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Arafat Visits Moscow

The USSR has given the Palestine Liberation Organization delegation headed by Yasir Arafat a cool welcome, suggesting that the Soviets expect some difficult negotiations.

Arafat's arrival was not preceded by a press buildup, and he was greeted by lower ranking officials than on his previous visit last November. The announcement of his arrival last Monday was buried in the back pages of *Pravda*.

Arafat also seems uncertain of how the talks will turn out. Prior to his departure for Moscow, he was careful to form a delegation that would support his personal views in negotiations with the Soviets.

The leader of the Syrian-controlled fedayeen group, Zuhayr Muhsin, announced on the eve of Arafat's visit that he would not join the PLO delegation in Moscow, privately criticized the USSR, and publicly questioned whether anything could be accomplished at Geneva. Muhsin probably would not have made such a statement without Damascus's approval. This suggests that despite Foreign Minister Khaddam's visit to Moscow last week, Syria has misgivings about the compromises that might be required by Moscow's effort to get all parties to the conference.

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Several Soviet Leaders Scheduled
To Visit Eastern Europe

Delegations headed by top Soviet leaders will visit several bloc countries in early May to attend ceremonies honoring the anniversary of the end of World War II in Europe. Tass has announced that party secretary Kirilenko will go to Prague, First Deputy Premier Mazurov to Belgrade, party secretary Kulakov to Berlin, and Politburo candidate member Ustinov to Ulan Bator. Similar delegations will presumably be sent to other Warsaw Pact countries.

It now appears unlikely that Brezhnev will attend any of the celebrations in Eastern Europe. It would be difficult for him to squeeze in all of the East European events and politically awkward to attend some and exclude others. There may also have been concern over the impact of such a whirlwind tour on his health. In any case, Brezhnev will no doubt be heavily engaged with anniversary events at home.

The celebrations in Eastern Europe begin this weekend and will probably run for two or three days, giving the Soviet delegations time to return to Moscow for the grand finale there on May 8 and 9. The trips will provide favorable public exposure to some of the junior members of the leadership. At the same time, the Soviet delegates will have to deal with delicate problems raised by Soviet publicity about the victory and by other facets of Soviet policy in Eastern Europe. Mazurov in Belgrade will face an especially ticklish problem, having to tailor his remarks to take account of Yugoslav displeasure with earlier Soviet statements denigrating the contribution of Yugoslav partisans to the victory.

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Yugoslav Government Shakeup Reportedly Expected

The government's lackluster performance in carrying out the 1975 economic stabilization program has sparked speculation that Premier Bijedic will be replaced in June.

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[redacted] Bijedic's handling of economic policy has been criticized by the party leadership since last December. During the first quarter of this year, the government continued to have difficulty controlling investment and prices. First quarter data show that investment spending increased 60 percent compared with the same period in 1974. Retail prices are increasing at an annual rate of about 26 percent--clearly exceeding planned levels.

The party's patience is wearing thin, and a central committee plenum last week heard complaints about "cadre inadequacies" and threats that managers who evade economic guidelines face criminal prosecution.

One of Bijedic's strongest critics is reportedly Stane Dolanc, head of the powerful party executive committee. In a speech on April 28, Dolanc said that "very serious measures" are needed to control investment. He also stated that "responsibility" throughout the administration--including the federal level in Belgrade--must be increased. This can be read as a veiled rebuke to both Bijedic and the cabinet which he heads.

Some Yugoslavs are reportedly already touting Kiro Gligorov--a talented economist now heading the Yugoslav parliament--as Bijedic's replacement. Bijedic took over the cabinet in 1971, when unchecked inflation and balance-of-payments problems helped bring down his predecessor, Mitja Ribicic. [redacted]

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Kim Il-Song to Romania?

North Korean party boss Kim Il-song may soon
visit Romania

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Rumors that the North Korean leader planned a swing through Moscow and Bucharest circulated in Peking last week while Kim was visiting there. A Romanian embassy officer in the Chinese capital told an American counterpart that two Romanians, fluent in Korean, have been recalled to Bucharest, presumably in preparation for Kim's arrival. In addition, Romanian officials in Bucharest recently said that President Ceausescu had personally ordered all construction and repairs on the North Korean embassy finished by April 29.

Although there has been no official announcement by either Bucharest or Pyongyang, a visit by Kim would not be surprising given the excellent state of Romanian - North Korean relations. Furthermore, Kim would be repaying President Ceausescu's visit to North Korea in June 1971, which led to a sharp increase in the exchange of delegations and generally improved bilateral relations. On a personal level, Ceausescu found in North Korea a regime with which he could identify--both because of its tight system of one man rule and because of its independent brand of national communism. In addition, the two leaders also share anxieties over attempts by neighboring great powers to meddle in their internal affairs. Their similar concerns are as valid today as they were in 1971 and undoubtedly would be high on the agenda for any Ceausescu-Kim talks.

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